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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

23 August 1952

SUBJECT: NIE-35/2: PROBABLE DEVELOPMENTS IN INDOCHINA
THROUGH MID-1953

THE PROBLEM

To estimate the internal situation throughout Indochina and to estimate French and Chinese Communist capabilities and probable courses of action with respect to Indochina through mid-1953.

CONCLUSIONS

1. The outlook in Indochina through mid-1953 is for continued stalemate, with both sides playing a waiting game. We believe that the French Union forces may make some slight territorial gains, but will not win a decisive victory during this period.

2. We believe that France will continue its war effort in Indochina, but will attempt to transfer to the US a progressively

SECRET

larger part of the economic and military burden of the war, and to reduce its manpower commitments by developing the national forces of the Associated States.

3. We believe that France will seek to conduct a "holding action." The French have apparently come to believe that they can no longer achieve a military decision in Indochina and that the Indochina problem can only be solved within the context of some form of over-all settlement in the Far East, perhaps following the Korean war.

4. We estimate that, if the present situation in Korea continues or even if a cease-fire agreement is concluded, the Chinese Communists will not invade Indochina during the period of this estimate. We are unable to estimate what effect the expansion of the Korean conflict beyond Korea would have on Chinese Communist intentions with respect to Indochina.

5. We believe that the Chinese Communists will continue their present type of support to the Viet Minh, but it appears almost certain that this type of support would not in itself enable the Viet Minh to win a decisive victory in Indochina.

- 2 -

SECRET

SECRET

6. However, we estimate that if present trends continue, the difficulties which France will face in supporting major military efforts in both Europe and Indochina, will in the longer run weaken the French Union's ability and determination to continue resistance in Indochina.

DISCUSSION

I. THE CURRENT SITUATION

7. Since the publication of NIE-35/1, "Probable Developments in Indochina through Mid-1952," dated 3 March 1952, there has been no major change in the disposition or the relative numerical strength of the French Union and Viet Minh forces. French Union forces undertook clearing operations in the Tonkin Delta area during the spring months of 1952. Since that time seasonal rains have brought a greatly reduced level of combat activity in Tonkin, where 115,000 French Union regular troops currently confront an estimated 85,000 Viet Minh regular troops. Throughout Indochina, the Viet Minh continue to conduct guerrilla and naval mine warfare and have maintained sufficient pressure against French Union forces to prevent

SECRET

the transfer of forces to Tonkin. The Viet Minh for the most part still control those areas of Indochina held at the time of publication of NIE-35/1. (See map.)

8. The French Union forces have made a slight gain over the Viet Minh in over-all combat effectiveness. French Union forces are now superior to the Viet Minh in unit fire power and materiel, a gain attributable principally to the increased delivery of US MDAP equipment. Such equipment is superior in quality to that being given to the Viet Minh by the Chinese Communists and far greater in quantity.*

9. Chinese Communist logistic support to the Viet Minh appears to fluctuate considerably. During the last quarter of 1951 the Viet Minh are believed to have received about 2,000 tons of supplies. Deliveries probably fell considerably below this level in the first quarter of 1952, and despite an apparent increase since May 1952, the level of aid is not believed to have reached that of late 1951. Chinese Communist support, except for a few recent border forays by

* As of 30 April 1952, a total of about \$347,000,000 had been expended by the US for military aid to Indochina (in addition to \$46,000,000 in economic assistance in FY's 1951 and 1952). Among the items shipped have been 657 combat vehicles, 190 aircraft, 5,565 trucks, 78,713 small arms and automatic weapons (including 1,464 rocket launchers), 1,400 mortars and artillery pieces, 18,000,000 rounds of ammunition of all types, 260,000 rockets and mines, and 3,869 radio sets.

- 4 -

SECRET

SECRET

minor Chinese Communist forces against native guerrillas, appears still to be limited to logistic, technical, and advisory assistance.

10. The principal problem facing the Viet Minh appears to be a shortage of food, but minimum requirements are apparently being met by rice raids into the Tonkin Delta and imports from Communist China. The Viet Minh is having difficulty in exploiting its manpower potential, but appears to be replacing its combat losses. Viet Minh morale during the present period of relative inactivity is difficult to assess. Morale among rank and file Viet Minh military forces is believed to be only fair, but morale among higher military and political echelons is believed to be good. Whatever the state of morale, effective Communist control over Viet Minh-held territory is being maintained. Although little evidence on the point is available, such evidence as we have reveals no serious friction between the Viet Minh and the Chinese Communists.

11. Political instability characterizes conditions in Vietnam and Cambodia. In Vietnam, the most important of the Associated States, the government of Premier Nguyen Van Tam, installed in June, has thus far failed to mobilize widespread popular support, although its initial actions suggest the possibility of greater administrative

SECRET

SECRET

efficiency than that shown by the preceding government. Several outstanding nationalist leaders have refused to be identified with the government. In Cambodia, political instability has increased in recent months. In the wake of mounting student agitation and the defection of the prominent nationalist, Son Ngoc Thanh, the King dismissed Premier Huy Kanthoul and currently rules by royal prerogative. Guerrilla activities by the Viet Minh and by dissident nationalist groups have continued.

II. FRENCH UNION CAPABILITIES AND PROBABLE COURSES OF ACTION

12. If France maintains its present war effort in Indochina and the Chinese Communists do not intervene in force, the capability of the French Union forces to resist Communist military pressure will probably improve slightly during the next year, largely as a result of the assimilation of US MDAP aid and the development of some experienced native military units and leadership. The French Union forces will probably during this period strengthen their control of the Tonkin Delta area. These forces may also be capable during this period of making forays outside the Tonkin perimeter to attack Viet Minh military concentrations. French Union forces will not, however, have the capability to gain and maintain effective control over major areas of Viet Minh-held territory during the period of this estimate.

SECRET

SECRET

13. We believe that there will be little or no improvement in political strength within the Associated States in the foreseeable future. In Vietnam, the people generally do not recognize a personal stake in the war effort and apparently still mistrust the French more than they fear the Communists. Accordingly, even if Premier Tan should be able to carry out his proposed economic and political programs, the people will probably continue to be apathetic toward the regime, and over-all political strength and stability will not be greatly increased. Political unrest will probably continue in Cambodia. No significant changes are foreseen in Laos, the most isolated and stable of the Associated States.

14. In the absence of Chinese Communist intervention, developments in Indochina will be primarily determined by the capabilities and intentions of metropolitan France. There are strong forces impelling France toward reducing its commitments in Indochina. After an exhausting six-year war in Indochina, France is still confronted by a steady increase of the costs of the Indochina war which currently takes almost one-third of the total French military budget.* In terms of professional military manpower, particularly

* 1952 military appropriations for the Associated States amount to nearly 450 billion francs (\$1.3 billion) including 67 billion as subsidy for the National Armies of the Associated States. Total 1952 military appropriations to date have been nearly 1,400 billion francs (\$4 billion).

SECRET

officers and non-commissioned officers, the cost is even greater. This financial and manpower drain is seriously reducing France's ability to meet its NATO obligations and to maintain the power position on the continent which it considers necessary to balance a rearmed Germany.

15. The French effort in Indochina is also influenced by fear of Chinese Communist intervention. The French are apprehensive that substantial French victories would bring about such intervention, with which the French, because of their limited capabilities, would be unable to cope. As a result, the French have apparently come to believe that they can no longer achieve a military decision in Indochina and that the Indochina problem can only be solved within the context of some form of over-all settlement in the Far East, perhaps following the Korean war.

16. We believe that despite the forces impelling the French to reduce their commitments in Indochina, considerations of prestige and France's position as a world power, will induce France to maintain the current scale of its effort in Indochina, at least during the period of this estimate. France will, however:

- a. Seek to conduct a "holding action" in Indochina.

SECRET

- b. Continue, at the same time, to seek US-UK guarantees of direct military support should Chinese Communist intervention occur.
- c. Continue efforts to inject the Indochina issue into any general negotiations on Far Eastern questions.
- d. Continue its attempts to transfer to the US a progressively larger part of the economic and military burden of the war.
- e. Accelerate its efforts to reduce its manpower commitments by developing the national forces of the Associated States.

III. VIET MINH AND CHINESE COMMUNIST CAPABILITIES AND PROBABLE COURSES OF ACTION

17. If the Chinese Communists continue to provide only logistic, advisory, and technical assistance, the Viet Minh will probably not be able to increase their strength or effectiveness significantly during the coming year. Viet Minh forces will continue their tactics of harassment, infiltration, terrorism, and guerrilla warfare. They will also continue to wage mine warfare in the inland waterways and along the coasts of Indochina, an activity which the French as yet have been unable to counteract.

- 9 -

SECRET

SECRET

They will also probably launch new frontal attacks on the French defense perimeter in Tonkin in September-October when the present rainy season ends. However, unless Chinese Communist troops move into Indochina in force, we believe that the Viet Minh will not be able to achieve a decisive victory in Tonkin or elsewhere in Indochina.

18. The Chinese Communists will probably have the capability during the period of this estimate to improve airfields in south China, to continue improvement of transportation facilities, to continue stockpiling along the Indochina border, and to increase their present level of logistic support for the Viet Minh. If the present level of support is increased significantly, the Viet Minh capabilities for tactics described will be somewhat increased, but it appears almost certain that outside logistic support would not in itself enable the Viet Minh to win a decisive victory in Indochina. The Chinese Communists will probably retain their present capability to commit and support logistically 150,000 Chinese Communist troops for an invasion of Indochina. This capability will probably not be materially affected by the continuation of Chinese Communist operations within Korea at current or expanded levels.

- 10 -

SECRET

SECRET

19. A Chinese force of 150,000, added to those of the Viet Minh, would probably be able to force French Union units to evacuate Tonkin before effective assistance could be brought to bear. The Chinese Communists now have, and will probably continue to have during the coming year, sufficient jet and piston aircraft, independent of operations in Korea, for damaging attacks against French Union installations in Tonkin, and, with surprise for neutralizing the French Air Forces in Tonkin. At this time, however, there is no indication that the Chinese Communist have begun the necessary preparations of airfields and other facilities in south China to permit the commitment of the CCAF to operations in Indochina. Development of the air facilities in south China, particularly those along the Nanning rail line, would require three to six months for preparation for combat operations; those on Hainan Island would require two to six weeks to develop for such operations.

20. We believe, that if the present situation in Korea continues or even if a cease-fire agreement is concluded, the Chinese Communists will not invade Indochina during the period of this estimate. Although the Chinese Communists probably have the capability successfully to invade Indochina, present evidence

- 11 -

SECRET

SECRET

does not indicate that such an invasion is imminent. Moreover, the following considerations militate against a direct intervention by Chinese Communist military forces:

- a. Present Communist strategy, while not bringing immediate victory in Indochina, appears nevertheless to be yielding considerable advantage. It diverts badly-needed French and US power from Europe with relatively little cost to the Communists. It may weaken the determination and ability of both the French and the Indo-Chinese to continue resistance, and thus provide the Communists with an opportunity to aggravate differences among the Western Powers.
- b. The Communist leadership is aware that the West, and in particular the US, might retaliate against Communist China if Communist China should invade Indochina. On the other hand, Communist leadership is also aware that non-Communist opinion is divided as to the merits and timing of such retaliation. On balance, however, fear of such retaliation is probably a major deterrent to open Chinese Communist intervention in Indochina.

SECRET

21. We believe, however, that during the period of this estimate the Chinese Communists will continue their present type of support to the Viet Minh. The Chinese Communists may introduce combat troops in the guise of "volunteers." We estimate, however, that the probable policy of the Chinese Communists not to provoke major Western counteraction against mainland China will restrain them from committing "volunteers" in numbers sufficient to assure a decisive military victory for the Viet Minh.

22. We are unable to estimate what effect the expansion of the Korean conflict beyond Korea would have on Chinese Communist capabilities and intentions with respect to Indochina.

IV. OUTLOOK

23. Through mid-1953, the outlook in Indochina is for a continued stalemate, with both sides playing a waiting game. We believe that the French Union forces may make some slight territorial gains, but will not win a decisive victory during this period.

24. However, we estimate that if present trends continue, the difficulties which France will face in supporting major military efforts in both Europe and Indochina, will in the longer run weaken the French Union's ability and determination to continue resistance in Indochina.

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